

NEW ZEALAND
TREVOR COLIN MALLARD, Governor ad interim

Let me start by thanking our hosts and the people of Hawaii for inviting us all to beautiful Honolulu. On behalf of my delegation, I extend our appreciation for the excellent organization of this meeting. New Zealand would like to take this opportunity to welcome the Republic of Turkmenistan as the newest member of the Asian Development Bank (ADB).

The Regional Economy

Last year, prospects for the region were bright. Some countries were in the middle of remarkable economic rebounds. So much has changed since then. The slowing global economy has reinforced the need to avoid complacency. If there is another financial crisis, we cannot rely on a United States (US) boom to save the day, as was the situation in the Asian financial crisis of 1997-98.

Trade and Development

New Zealand considers that it is crucial that what we provide on the one hand through official development assistance is not taken away on the other by trade policies. Trade policy reform is a vital step in unlocking economic growth and poverty reduction in developing countries: World Bank figures show farm trade liberalization by developed countries could yield annual global benefits of nearly US\$43 billion.

New Zealand is doing what it can. The least developed countries will face no tariffs or quotas at all when exporting foods into New Zealand from 1 July 2001. Other developing countries face minimal tariff restrictions. New Zealand believes it is in the interest of Pacific Island countries to integrate into the international economy. New Zealand is involved in negotiations toward a Pacific Regional Trade Agreement (PARTA). The objectives of this agreement are to provide a framework for the gradual trade and economic integration of the economies of the Pacific Forum members.

ADB in the Pacific

New Zealand welcomes the growing commitment by ADB in addressing the unique challenges facing the Pacific region. In particular, we would like to congratulate ADB on its Pacific Regional Strategy endorsed by the Board in February this year. New Zealand also appreciates ADB's involvement in East Timor as a key player in reconstruction. New Zealand looks forward to developing these and future initiatives in collaboration and in partnership with ADB and our neighbors.

Fighting poverty is a war that will require many different strategies, approaches, and tools. ADB is committed to increasing its understanding of how this may be addressed in the Pacific and Asia. New Zealand strongly urges ADB to develop a small states policy in order to respond to the needs of this constituency, and supplement its

arsenal in the fight against poverty in the region.

Collaboration with Other Development Banks and Donors

The international aid dollar is becoming increasingly scarce. It is vital that development banks and other agencies assess where their comparative advantage lies in the delivery of development assistance. This must occur to ensure resources are used effectively and duplication is avoided.

New Zealand welcomes ADB's undertaking to assess its future role in the region through the development of its long-term strategic framework (LTSF).

New Zealand believes ADB needs to go further with its efforts to clearly define those areas in which its activities are strong, and those areas in which its activities are weak. This should lead to greater selectivity and prioritization of ADB's activities.

My Government recently reviewed New Zealand's partnership with ADB. The objective of the review was to develop a strategy for a more structured, productive, and cooperative relationship between New Zealand and ADB. The wider aim is to improve the effectiveness of bilateral and multilateral development programs. We ask that ADB also continue its efforts to do all it can with its colleagues in development institutions to improve partnership, collaboration, and cooperation. We are all working toward the same goal of poverty reduction and a more stable, fair, and prosperous region.

Governance

New Zealand would like again to endorse the President's work to address issues relating to ADB's internal governance and external transparency. We welcome ADB's recognition of the need to strengthen the participation of shareholders through enhancing the effectiveness of the Board in setting ADB's strategic direction. In particular, we endorse the role of Board committees in facilitating and expediting the corporate oversight function. The composition of these committees should reflect the broad range of skills and shareholder representation available at the Board level.

New Zealand supports the study into the capital adequacy of ADB, but our support is premised on the maintenance of ordinary capital lending at current levels.

In conclusion, I wish to extend to President Chino, the management, and the staff of ADB, New Zealand's appreciation for their efforts and endeavors in the fight against poverty over the past year.